

STAT

**Page Denied**

Next 1 Page(s) In Document Denied

STAT

85-3826/13

20 DEC  
1985

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Deputy Director of Central Intelligence  
Executive Director

FROM: Harry E. Fitzwater  
Deputy Director for Administration

SUBJECT: Fiscal Year 1985 Reports to the President and Congress under  
the Financial Integrity Act

1. Attached, for your signature, are reports required by the Federal Managers' Financial Integrity Act of 1982. These reports are for submission to the President and Congress by 31 December of each year.

2. The reports comply with the reporting requirements of the Act for both internal controls and the accounting system in operation during fiscal year 1985 as certified to by the responsible senior officials. Although we have identified no material weaknesses in internal controls to be reported,

STAT

3. Also attached are the fiscal year 1985 certifications from the Directors of Intelligence Community Staff and National Intelligence Emergency Support Office, the Deputy Directors, Heads of Independent Offices, and the Director of Finance.

STAT

Harry E. Fitzwater

Attachments

*filed behind  
copies of DCI letter  
on right side  
of folder*

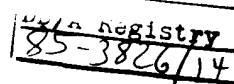
STAT

**Page Denied**

Central Intelligence Agency



Washington, D.C. 20505



20 DEC 1985.

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the National Intelligence Emergency Support Office (NIESO) in effect for Fiscal Year 1985.

During the year a comprehensive statement of responsibilities and procedures for assuring full compliance with that Act was included as an integral part of the formal Agency regulatory system.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports.

During the reporting period, four loss of fund situations have been brought to my attention. Each of these was discovered by the Agency's system of internal accounting and administrative controls, and has been reported to the Department of Justice for appropriate action. We have made a positive determination in each case that the loss was not attributable to an internal control weakness for which there is a cost effective remedy. The cost of additional resources to implement more stringent control measures would exceed the relative risks to be protected against.

Notwithstanding the foregoing, I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, and NIESO systems of internal accounting and administrative controls provide reasonable assurance that:

- (a) Obligations and costs comply with applicable law;
- (b) All assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and

*92 of M-86-1  
Jared 23 Oct 1985*

The President

(c) Revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and NIESO, substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to the Chairmen of the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence.

Respectfully yours,

/s/ William J. Casey

William J. Casey  
Director of Central Intelligence

**SUBJECT: Report to The President**

**Distribution:**

**Orig. - Addressee**

1 - OGC

1 - DDA

1 - ED

1 - DDCI

1 - DCI

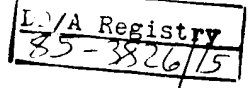
1 - IG

1 - D/OF

Central Intelligence Agency



Washington, D.C. 20505



20 DEC 1985

The Honorable Dave Durenberger  
Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the National Intelligence Emergency Support Office (NIESO) in effect for Fiscal Year 1985.

During the year a comprehensive statement of responsibilities and procedures for assuring full compliance with that Act was included as an integral part of the formal Agency regulatory system.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports.

During the reporting period, four loss of fund situations have been brought to my attention. Each of these was discovered by the Agency's system of internal accounting and administrative controls, and has been reported to the Department of Justice for appropriate action. We have made a positive determination in each case that the loss was not attributable to an internal control weakness for which there is a cost effective remedy. The cost of additional resources to implement more stringent control measures would exceed the relative risks to be protected against.

Notwithstanding the foregoing, I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, and NIESO systems of internal accounting and administrative controls provide reasonable assurance that:

- (a) Obligations and costs comply with applicable law;
- (b) All assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and

The Honorable Dave Durenberger

(c) Revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and NIESO, substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to The President and the Chairman of the House Permanent Select Committee on Intelligence.

Sincerely,

**7s/ William J. Casey**

William J. Casey  
Director of Central Intelligence



SUBJECT: Report to the Chairman of the Select Committee on Intelligence

**Distribution:**

Orig. - Addressee

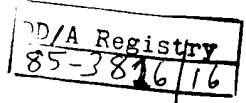
- 1 - OGC
- 1 - DDA
- 1 - ED
- 1 - DDCI
- 1 - DCI
- 1 - IG
- 1 - D/OF

Central Intelligence Agency



Washington, D.C. 20505

20 DEC 1985.



The Honorable Lee H. Hamilton  
Chairman  
Permanent Select Committee on Intelligence  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the National Intelligence Emergency Support Office (NIESO) in effect for Fiscal Year 1985.

During the year a comprehensive statement of responsibilities and procedures for assuring full compliance with that Act was included as an integral part of the formal Agency regulatory system.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports.

During the reporting period, four loss of fund situations have been brought to my attention. Each of these was discovered by the Agency's system of internal accounting and administrative controls, and has been reported to the Department of Justice for appropriate action. We have made a positive determination in each case that the loss was not attributable to an internal control weakness for which there is a cost effective remedy. The cost of additional resources to implement more stringent control measures would exceed the relative risks to be protected against.

Notwithstanding the foregoing, I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, and NIESO systems of internal accounting and administrative controls provide reasonable assurance that:

- (a) Obligations and costs comply with applicable law;
- (b) All assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and

The Honorable Lee H. Hamilton

(c) Revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and NIESO, substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to The President and the Chairman of the Senate Select Committee on Intelligence.

Sincerely,

/s/ William J. Casey

William J. Casey  
Director of Central Intelligence

**SUBJECT: Report to the Chairman of the House Permanent Select Committee on  
Intelligence**

**Distribution:**

**Orig. - Addressee**

- 1 - OGC
- 1 - DDA
- 1 - ED
- 1 - DDCI
- 1 - DCI
- 1 - IG
- 1 - D/OF